



## **MINUTES OF THE LUNCHEON MEETING OF THE BOARD OF DIRECTORS**

**Wednesday, 17 December 2014**

**#1 Capitol District Building, 250 South Hotel Street, Room 436, Honolulu, HI 96813**

### **MINUTES**

#### **PRESENT**

H. Brian Moore, Chair  
Danton Wong, Vice Chair  
Alan Hayashi  
Keiki-Pua Dancil  
Phillip Bossert  
James Moonier  
Richard Lim for Mary Alice Evans  
Race Randle for Craig Nakanishi  
Greg Barbour for John DeLong

#### **EXCUSED**

Jon Wallenstrom  
Eric Yee

#### **STAFF**

Karl Fooks, President

#### **GUESTS**

Dan Purcell

- **CALL TO ORDER:** Meeting called to order by the Chairman at 12:04 PM.
- **12 November 2014 MEETING MINUTES:** Minutes were approved.
- **Hydrogen Conference:**
  - The President introduced Kymberly Sparlin, Linda Viray and Stan Osserman, the team from State Energy Office organizing the Hydrogen Conference. Kymberly distributed the agenda, preliminary attendees list, and proposed budget for the charrette on the need for hydrogen infrastructure in Hawaii. The charrette is scheduled for January 13-15.
  - **ACTIONS:** The Board unanimously thanked Kymberly for the briefing.
- **President Performance Evaluation:**
  - The agenda item was deferred.
- **2015 Legislative Agenda:**
  - The President reported on the need for HSDC to have its board members reappointed as many of the board member terms are expiring or terming out. The Chair and the President met with Speaker Souki to request his assistance and a meeting is scheduled with Senate President Kim.
  - The President reported that HSDC's requests were not included in the Executive Budget. Given the change in administrations, the Administration's decision was to submit a status quo budget initially and have the Governor communicate his budget requests at the start of the legislative session.
  - The Chair asked the President how HSDC will get funding requests into the budget process. The President will work with the incoming Administration to have them include HSDC in their budget requests and not seek to have a bill introduced independent of the Administration.
  - Director Hayashi asked about the leadership of the House and Senate subject matter committees and their support for HSDC. The President reported that Senator Wakai is the Chair of the Senate Committee on Economic Development and Technology and is familiar

and supportive of HSDC's activities. Representative Kawakami is the Chair of the House Committee on Economic Development. He is a new Chair on this committee and HSDC is scheduling a meeting to brief him on HSDC's activities.

- **Actions:** The members of the board unanimously encouraged the President to advocate for new funding.
- **Pipeline Micro:**
  - The President presented an Investment Memo recommending the sale of HSDC's interests in Pipeline Micro. This was previously discussed at an earlier board meeting. At that board meeting a decision-making quorum was not present and no action was taken.
  - Alan Hayashi recused himself from decision making citing a financial interest in the company.
  - **Decisions:** The Board unanimously, except for Alan Hayashi who recused, approved the sale of HSDC's interest in Pipeline Micro.
- **2015 Board Meeting Dates:**
  - The Chair advised the board of the scheduled meeting dates for 2015.
- **Blue Ventures II:**
  - Chenoa Farnsworth, Executive Director of Blue Startups, presented a summary of the results to date from the accelerator and fund investments. Chenoa reported that Blue Startups will begin focusing on travel tech and health tech in its upcoming cohorts. It will be introducing a two track process in its curriculum: a seed track for companies without a product ready for market testing and a growth track for companies with a product ready to go to market.
  - Chenoa presented a proposal for HSDC to participate in the second round of Blue Startups. A new fund, Blue Ventures II is in the process of fund raising with a target raise of \$2 million. \$1 million will be raised from private investors and \$1 million is requested from HSDC.
  - Chenoa answered various questions from members of the board regarding the status of several of the current portfolio companies and the return expectations.
  - **Actions:** The members of the board thanked Chenoa for her briefing on Blue Ventures Fund II and expressed interest in supporting the new fund.
- **Portfolio Report:**
  - The President reported that HSDC received a distribution from TAC Associates of \$11,161.
  - The President reported that HSDC received a distribution from Three Arch Associates of \$14,271
  - The President reported that HSDC's Best Practices Seminar on December 4 was a success and well attended. The new Startup Paradise video shown at the seminar was viewed by the board.
- **SSBCI Report:**
  - The President reported that the US Treasury has begun working with states to prepare the final report on the SSBCI program due in 2017.
- **HTDC Report:**
- **NELHA Report:**
- **Public Input and Discussion:**
- **Request for Future Agenda Items:**
- **MEETING ADJOURNED:** Meeting adjourned at 1:30 PM.